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UNITED STATES GENERAL ACCOUNTING OFFICE
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STATEMENT OF
ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
SUBCOMMITTEE ON BUDGETING, MANAGEMENT, AND EXPENDITURES
OF THE
SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to discuss our thoughts on improving congressional control over the Federal budget.

We have reviewed the various bills which have been referred to your Subcommittee as well as the report of the Joint Study Committee on Budget Control. The intent of most of these proposals is to strengthen congressional control over the budget. We strongly support that objective.

My purpose here today is to provide our views on some of these proposals, to describe some of our operations that are directly pertinent to congressional budgetary control, and to suggest other ways in which we may improve our assistance to the Congress. I am pleased to see that many of the suggestions that I made to the Joint Study Committee on Budget Control on March 7, 1973, are reflected

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in its final report and other bills that have been recently introduced. I want to add my support to:

1. Providing for initial congressional action on the Budget by setting targets instead of rigid ceilings for budget authority and outlays.
2. The inclusion of all types of spending authority in the limitations and allocations made by the budget committees.
3. The requirement that the authorizing committees act in the year prior to the action by the appropriations committees on the same program.
4. The continuation and improvement of the already valuable scorekeeping report.
5. The requirement for 3 to 5 year projections.
6. The recognition of the need for controlling contingent liabilities under guarantee and loan insurance programs.

I found nothing in the committee's report inconsistent with or contrary to my earlier suggestions.

Mr. Chairman, I would next like to offer some suggestions regarding the various proposals your subcommittee is considering.

1. It is highly important that the integrity of the unified Federal budget be maintained. In 1967, the President's Commission on Budget Concepts strongly

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recommended the adoption of the unified budget concept under which all Federal activities financed with Federal funds would be included. The Commission, of which I was a member, viewed this as its most important recommendation. A single budget was recommended to replace the three different budgets then in use which had caused confusion and misunderstandings.

President Johnson and later President Nixon accepted this recommendation and since 1969 we have had the unified budget. I mention this because, if the Congress is to exercise effective control over Federal expenditures through the budget, it should resist efforts to remove Federal activities from the budget. One action of this nature approved by the Congress in 1971, which we recommended against, was to exclude the Export-Import Bank from the unified budget. We believe that no further exclusions should be made and existing ones should be eliminated. The fundamental purpose of a single budget is to bring together in one place competing needs so that priorities may be more readily established and resources allocated with due regard to all potential demands on the Federal Treasury.

2. The Joint Study Committee contemplates hearings, to the extent time permits, "on overall budget levels and the priority status of various programs." As suggested in my earlier testimony, I hope that this could include

some public hearings. If rigidly controlled to avoid prolonging the process, such hearings could be quite valuable in assessing priorities within a budget total. The Legislative Reorganization Act of 1970 already provides for overall hearings by the appropriations committees with the Treasury, the Office of Management and Budget, and the Council of Economic Advisers. The proposed committees might well extend this procedure by receiving testimony from Defense Department officials on our overall defense posture, from the State Department officials on foreign policy and from national organizations which have made special studies of Federal programs, expenditures and their impacts.

3. In establishing the timing of the concurrent resolutions by the Congress, the Joint Study Committee recommended that the final concurrent resolution be completed prior to adjournment. The Committee pointed out that this probably would mean action by the House late in July and action by the Senate in September. Therefore, we still would not have final congressional action on the budget until well into the fiscal year for which money is being appropriated. It seems to me that if we have advance authorizations and multi-year appropriations, these dates could be advanced and the final wrap-up appropriation bill could be completed before the new fiscal year begins. I believe it extremely important to avoid, if at all possible, the present situation

where appropriations are not enacted until well after the beginning of the fiscal year. I have no complete solution but staff analysis in advance of the President's budget submission would greatly help. An alternative would be to change the fiscal year to start on October 1.

The Office of Management and Budget and the agencies can provide and should be required to provide a great deal of information to the Congress well in advance of the submittal of the President's budget. For example, there are many programs under which outlays are relatively fixed and uncontrollable in the immediate future and for which the President has no intention of proposing significant changes. Under these circumstances, we see no reason why substantial amounts of program and budget information could not be provided well in advance of the submission of the President's Budget. This would allow the staff to review these programs and have the staff work substantially completed early in the calendar year. This would allow the committees to focus on the programs in which significant changes are proposed by the President. As I shall point out later, as part of our definition of the congressional information requirements, I believe that we can specify the types of information and the criteria under which it is to be provided and that procedures can be agreed upon between the Congress and the executive branch for such reporting.

4. There are various proposals for information, analysis, and staff support for the Congress for its consideration of the budget. These include a Joint Committee on the Budget, separate budget committees with a joint staff, an Office of Budget Analysis and Program Evaluation under the Joint Economic Committee, a separate Congressional Office of the Budget, and an Office of the Budget within GAO. There are, of course, many factors which you have to consider in making this most important decision.

We favor the proposal in the Report of the Joint Study Committee on Budget Control. The Committee, in its report of April 18, contemplates the establishment of a budget committee in each House of Congress, supported by a joint staff, to provide overall limitations on budget outlays and budget authority which would be subdivided among various subcommittees of the appropriations committees and among the legislative committees having jurisdiction over budget outlays and budget authority.

The report emphasizes that the joint staff of the budget committees should devote a significant proportion of its time to analyses for the committees of the probable relationship of budget authority to expenditures, with particular attention to the variation in time intervals between the provision of budget authority and actual disbursements from the Treasury, among different programs. It indicates that

this type of analysis should be done in close consultation with the Office of Management and Budget. The staff would also submit recommendations to the budget committees with respect to priorities among various programs within the totals established by the Congress as a whole. 07

We would expect that the joint staff would function very much as the current staff of the Joint Committee on Internal Revenue Taxation, which has the basic qualifications specified by the Joint Study Committee, namely: "that the director and his staff be highly trained, nonpartisan and professional because the Congress will need to depend heavily on them as to their skill and knowledge as well as to their objectivity." The Joint Committee on Internal Revenue Taxation does not have a large staff but one which has been able to call upon other resources to meet its peakload requirements. It calls upon the other support components of the legislative branch as well as individuals and research organizations throughout the country. It also has an effective working relationship with the Department of the Treasury and uses its data and analytic techniques to assist both the Senate and House tax writing committees in their studies. T 92a

I have some reservations about the discussion on the California Legislative Analyst's Office being a complete model for the Congressional Office of the Budget. Helpful

and significant as that Office has been, there are significant differences in the budget process of the State of California and the Federal Government. California's budget process has a line item orientation. The governor still has a line veto. The Legislative Analyst, to a large extent, reviews line items and recommends reductions or changes in selected items. He is not called upon to recommend a budget total or overall priorities on a program basis. I believe a much broader role is envisioned for the joint staff or the Congressional Office of the Budget. In my view it should be concerned with the overall economic, social, and financial factors of the Federal budget, including program priorities and trade-offs among alternatives for achieving program objectives.

TYPES OF BUDGETARY, FISCAL AND PROGRAM INFORMATION
NEEDED TO SUPPORT THE PROPOSED LEGISLATIVE
BUDGET COMMITTEES

The report of the Joint Study Committee on Budget Control points out that most of the information needed by the Legislative Budget Director and the legislative committees will be supplied directly from the agencies or through the OMB. We believe that most of the information needed can and should come from the executive branch.

I would like to reemphasize that the availability of a full-time staff would make it possible to have much of

the information required by the Congress to carry out the objectives of the report prior to the actual submission of the President's Budget. We question, in fact, whether the time table contemplated in the report can be achieved unless such information is available to the Legislative Budget Director on a continuing basis throughout the year. Many of the issues which are dealt with in Presidential budget submissions are not new and can be identified long before the submission of the Budget.

Specific types of information which we believe will be most urgently needed by the budget committees, the appropriations committees, and the authorization committees in furtherance of the objectives of the report of the Joint Study Committee on Budget Control are the following:

1. The subdivision of budget authority and outlays submitted in the President's Budget in accordance with the jurisdictions of the committees and subcommittees, together with estimates of the effect on outlays of budget authority granted in prior years identified for each committee and subcommittee. Budget authority and outlays are now included in the President's Budget along agency functional lines, which do not necessarily follow the lines of committee jurisdiction.

2. Longer-term projections. Estimates are made for only one year beyond the budget year. To the extent practicable, estimates should be projected in the Budget for additional future years, say, for a 3 or 5-year period.
3. The same kind of breakdown and projection on a program basis. Quite likely this might be best provided separately from the Federal Budget, or included in the Special Analyses of the Budget.
4. An analysis of (a) budget authority and outlays which are relatively fixed or uncontrollable; (b) budget authority and outlays which are discretionary; and (c) the effect of reductions or increases in budget authority for the budget year on outlays for that year, and for subsequent years, to the extent feasible.
5. Analyses of the basis for and the validity of the assumptions made in the President's Budget with respect to workload changes, program increases or decreases under current legislation, productivity increases, cost growth, and so forth.
6. Estimates made by various organizations on the effect of an increase or decrease in the employment rate and economic growth assumptions on various statutory programs such as veterans benefits,

unemployment compensation, social security,
public assistance, housing, etc.

7. Estimates made by various organizations on the effect of changes in budget authority and outlay levels upon employment (a) within the Government and, (b) outside the Government.
8. Historical comparisons of current budget requests which take into account changes in budgetary classifications, amendments to legislation, discontinuance of programs, and the reconstitution of programs under different authority or different budget activity classifications. The objective would be primarily to provide greater consistency in agency reporting of program and activity information over longer periods of time.
9. An inventory or directory of sources of basic financial information on Federal programs and projects affecting State and local governments and on trends in State and local revenues and expenditures by program area.
10. Status reports on the current year's budget authority with respect to such matters as anticipated supplemental appropriation requests, obligational commitments made, outlays made, loan repayments,

revolving funds transactions, funds reserved or impounded and not apportioned, etc.

11. Updated reports on actual revenues for the current year, and estimates for the budget and later years, based on alternative economic assumptions.
12. Analyses of the costs and benefits of alternatives to new legislative proposals or major expansions in existing programs, projected over a period of years. In this connection, it should be noted that section 221 of the Legislative Reorganization Act of 1970 provides that the President must submit by June 1 of each year estimates for four future fiscal years of the costs of programs which have a legal commitment for that period of time. We believe consideration should be given to advancing the date for the submission of this information from June 1 to an earlier date. Perhaps it could be submitted to Congress with the Budget as are projections of the cost of proposals for new and expanded programs.

ASSISTANCE OF THE GENERAL ACCOUNTING OFFICE

The General Accounting Office is prepared to give high priority to assisting the Congress in carrying out legislation to achieve the objectives of the Joint Study Committee's

report. For many years, we have provided assistance to the committees of the Congress concerned with the annual authorization and appropriation processes. This assistance has taken the form of:

- Assigning staff members to work directly on the staff of the committees.
- Making special audits and studies of problems of special interest and concern to the committees.
- Providing annual summaries of significant audit findings and recommendations growing out of the continuing audit work of the GAO in all Federal agencies.
- Testifying on various matters on request.
- Commenting on proposed legislation.

I would now like to suggest some other ways in which we might assist the committees of the Congress who are involved in the authorization and appropriations process.

1. Analyses of budget justifications

If the detailed agency budget justifications which are now submitted to the appropriations committees and the legislative authorization committees were made promptly available to us, we could prepare analyses for each subcommittee which would relate our audit findings to budget areas where the committee may wish to consider modifications.

In addition to using completed reports, we could also provide preliminary information based on our ongoing work.

For many years, we have been providing the appropriations committees with compilations of significant audit findings for their use in considering agency budget requests. Without materially increasing our workload, we could relate these findings to specific requests for funds in the agency budget justifications.

If desired we could go even further and assist in analyzing agency budget justifications irrespective of the relationship to our audit findings. For example, on request, we have sometimes developed questions and issues for use by committees in hearings.

2. Assignment of staff

If the Congress decides to adopt the proposal of the Joint Study Committee to establish budget committees, we could assign staff members to assist in their work from time to time. This would be in line with current practice and could be particularly useful for the period when the overall budget total is being actively considered.

Improving Budget, Fiscal, and Program
Information for the Congress

The responsibility placed on the General Accounting Office in the Legislative Reorganization Act of 1970 is pertinent in this connection. Section 202 of that Act requires the Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General, to "develop, establish, and maintain standard classifications of programs, activities, receipts, and expenditures of Federal agencies in order *** to meet the needs of the various branches of the Government."

We have attempted to determine the interests and needs of the various congressional committees for information for inclusion in a Government-wide system which would rely largely upon modern automatic data processing techniques. On November 10, 1972, we submitted a progress report to the Congress reflecting the results of a survey of congressional interests and needs. During that survey our staff interviewed a total of 258 persons representing 44 committees and 69 Members of Congress. In addition, by letter, we requested the views and suggestions of every Member of the Congress.

In a subsequent report commenting on the annual report of the Treasury and the OMB (required by the statute), we indicated that we believed that Treasury and OMB were moving too slowly in implementing the Act and were applying fewer

resources to developing such a system than were required to effectively carry it out. For example, as presently contemplated, the executive branch will not be able to provide (1) the data for which there is very considerable congressional interest, such as better and more detailed information on similar programs and activities across agency and bureau organization lines, information on program budgets and outlays broken down by such target groups as rural and urban areas, and other types of beneficiaries, and by political subdivision, nor (2) except for explicit cash payments, the cost of Government subsidies such as loaning money at lower than prevailing interest rates. The system should make it possible to develop this information when needed although it is questionable whether it needs to be provided on a current and continuing basis.

Unless higher priority is given to the implementation of this provision of the Act, it will be much more difficult for the Congress to obtain the kind of analysis required to establish program priorities contemplated in the report of the Joint Study Committee.

While the interest of the Congress for information of the type contemplated under Section 202 of the Legislative Reorganization Act is somewhat broader than that which would be of immediate interest to the committees which would have responsibility to carry out the objectives of the Joint

Study Committee's report, most of the information would be relevant and, in any event, we believe that first priority should be given to developing the fiscal and budgetary data system contemplated by Section 202 to meet the needs of the proposed budget committees, the appropriations committees, and the authorization committees.

I continue to believe that the executive branch should have the primary responsibility for developing, establishing and maintaining standard classification of programs, activities, receipts, and expenditures of the Federal agencies to meet the needs of all branches of the Government as contemplated by the Legislative Reorganization Act of 1970. The General Accounting Office can assume responsibility for defining that part of the total needs that relate to the legislative branch. As you are aware, we have already allocated considerable resources to ascertaining the fiscal and budgetary information needs of the Congress and have worked closely with the executive branch. This is reflected in the fact that we have 10 professional staff with clerical and contractual support assigned to this effort which represents a cost in our budget of about \$500,000 for 1974.

Nevertheless, we are prepared to increase this effort because of our interest in supporting the efforts of the Congress to strengthen its budgetary machinery. We believe that this is in line with the objective of the changes in the Legislative Reorganization Act which are contemplated in S.1215 introduced by Senator Metcalf on March 14, 1973.

As you know, the GAO has no authority to prescribe the system by which the executive branch provides information to support the President's Budget request or to meet the informational needs of the Congress. We are serving in an advisory role to the Secretary of the Treasury and the Director of the Office of Management and Budget as provided in the Legislative Reorganization Act. Our objective is to assure that the system will supply the Congress with information which can be developed through the utilization of modern automatic data processing techniques, relying on information currently being developed in the executive branch. The GAO can also identify for the committees on a quick response basis studies or analyses which have already been made. We can also evaluate the adequacy and validity of those agency studies and analyses, if requested. To the extent that we can anticipate the interests of the committees in making our own evaluations of programs and activities, we can make them better serve congressional needs.

Before concluding this part of my statement, I should like to emphasize that, based on our experience and the experience of others, the development of standard classifications of programs, activities, receipts, and expenditures, and the application of computer processing techniques to the analysis of such data is an extremely complicated task and one which certainly should not be attempted on a crash basis. Several points should be emphasized:

1. To the maximum extent practicable, information systems already developed and in operation for other purposes within the executive branch should

be used. This information should be made available to the Congress in the most usable form possible, on a priority basis.

2. The Congress itself needs to specify priorities, but should recognize the fact that the development of such a capability requires time and is extremely expensive to develop and maintain.
3. The Congress should make a greater effort than in the past to specify the type of data and evaluations which it needs, including studies of alternative proposals, in the enactment of authorization and appropriation measures. Too frequently the agencies are left "in the dark" or advised too late to provide the necessary information. It should be unnecessary for the Congress to duplicate data collection and analyses which the agencies may well need for their own operating purposes and particularly where such data can be obtained only through operating reports of the executive agencies. We believe also that greater consideration should be given to spelling out in program legislation in specific terms the objectives of the substantive periodic reports needed by the Congress on how the legislation is being carried out, and the timing for such recurring reports.
4. There needs to be a capability either through the staff of the Legislative Budget Director or the General Accounting Office to supply on a "quick

response" basis information for the Congress. Much of the needed information can be obtained and made available within a short timeframe with a minimum of analysis and investigation if there is sufficient familiarity with the sources of information.

In support of the objectives of the Joint Study Committee on Budget Control, I would like to suggest for your consideration the inclusion of an additional title in the legislation you are developing to more specifically spell out GAO responsibilities and authority for defining congressional information and reporting requirements and for access to agency records.

Title III--Budget, Fiscal and Program Information for the Congress

Sec. 301. (a) The Comptroller General of the United States shall conduct a continuing program to ascertain the needs of the committees and Members of the Congress for fiscal, budgetary, and program information designed to support the objectives of this Act and shall recommend to the Congress and to the executive agencies, as appropriate, improvements in developing and reporting such information to meet these needs most effectively.

Sec. 301. (b) The Comptroller General shall assist committees in developing specifications for legislative requirements for executive branch

evaluations of Federal programs and activities, including reporting the results of such evaluations to the Congress.

Sec. 301. (c) The Comptroller General shall monitor the various recurring reporting requirements of the Congress and committees and make recommendations to the Congress and committees for changes and improvements in these reporting requirements to meet the congressional information needs ascertained by the Comptroller General, to enhance their usefulness to the congressional users and to eliminate duplicative or unneeded reporting.

Sec. 302. Section 313 of the Budget and Accounting Act, 1921 (31 U.S.C. 54), is amended to read as follows:

"Sec. 313. (a) Except where otherwise specifically provided by law, all departments and establishments shall furnish to the Comptroller General such information regarding the powers, duties, organizations, transactions, operations, and activities of their respective offices as he may from time to time require of them; and the Comptroller General or any of his duly authorized representatives shall, for the purpose of securing such information, have access to and the right to examine any books, documents,

papers or records of any such department or establishment.

"(b) (1) Each recipient of Federal assistance pursuant to grants, contracts, subgrants, subcontracts, loans, or other arrangements, entered into other than by formal advertising, shall keep such records as the head of the department or establishment involved shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The head of such department or establishment and the Comptroller General, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in paragraph (1) of this subsection, have access for the purpose of audit and examination to any books, documents, papers and records of such recipients which in the

opinion of the head of the department or establishment or the Comptroller General may be related or pertinent to the grants, contracts, subgrants, subcontracts, loans or other arrangements referred to in paragraph (1) of this subsection."

Sec. (a) If any information, books, documents, papers or records requested by the Comptroller General from any department or establishment under section 313(a) of the Budget and Accounting Act, 1921, as amended, or any other authority, has not been made available to the General Accounting Office within a period of twenty calendar days after the request has been delivered to the office of the head of the department or establishment involved, the Comptroller General may institute a civil action in the United States District Court for the District of Columbia for declaratory relief in accordance with subsection (b) of this section. The Attorney General is authorized to represent the defendant official in such action. The Comptroller General shall be represented by attorneys employed in the General Accounting Office and by counsel whom he may employ without regard to the provisions

of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapters III and IV of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) Actions instituted pursuant to subsection (a) of this section shall be for the purpose of declaring the rights and other legal relations of the parties, in accordance with section 2201 of title 28, United States Code, concerning the Comptroller General's request for information, books, documents, papers, or records and no further relief shall be sought by the parties or provided by the court. Such actions shall be heard and determined by a district court of three judges. Immediately upon the filing of a complaint under subsection (a) of this section the matter shall be referred to the chief judge of the United States Court of Appeals for the District of Columbia Circuit, who shall designate three judges, at least one of whom shall be a circuit judge, to sit as members of the court to hear and determine the action. Actions under this subsection shall be governed by the rules of civil procedure to the extent consistent with the provisions of this section, and shall be expedited in every way.

(c) Any party may appeal directly to the United States Supreme Court from a declaratory judgment under subsection (b) of this section. Such appeal shall be taken within thirty days after entry of the judgment. The records shall be made up and the case docketed within sixty days from the time such appeal is taken under rules prescribed by the Supreme Court.

(d) (1) Subject to paragraph (2) of this subsection, if after a declaratory judgment sustaining the Comptroller General's right to all or any information, books, documents, papers, or records requested becomes final such information is not made available to the General Accounting Office, no appropriation made available to the bureau, office or unit of the department or establishment which the Comptroller General identifies as being under review shall be available for obligation unless and until such information is made available to the General Accounting Office.

(2) Paragraph (1) of this subsection shall not become operative unless:

(A) the Comptroller General determines to invoke the provisions thereof and files with the Committees on Government Operations of the Senate

and the House of Representatives notice of his determination, together with identification of the bureau, office or unit under review and the appropriations available thereto; and

(B) during thirty calendar days (excluding the days on which either House is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die) following the date on which the Comptroller General files such notice, neither House has passed a resolution stating in substance that it does not favor invocation of such provision.

(e) Where the conditions set forth hereinabove are satisfied paragraph (1) of subsection (d) shall become operative on the day following expiration of the thirty-day period specified in subsection (d) (2) (B).

The proposed section 302 is identical to language which I recommend in my testimony before the Subcommittee on Separation of Powers, and Administrative Practice and Procedure of the Senate Committee on the Judiciary, and the Subcommittee on Intergovernmental Relations of the Senate Committee on Government Operations on April 11, 1973, in connection with hearings relating to

congressional and public access to executive branch information.

I believe this recommendation is at least as pertinent to the objectives of the proposed legislation as it is to the objectives of legislation dealing with the subject of executive privilege and access to executive branch information. I say this because anything which seriously impedes the ability of the General Accounting Office to meet the needs of the Congress also weakens the purposes and objectives of the legislation under consideration. Most of the work done by the GAO is directly supportive of the objectives of the Committee report, particularly the work of the GAO in evaluating the effectiveness of agency programs.

Without the ability to obtain all necessary information from the executive branch, the GAO cannot perform its oversight functions in the manner intended by the Congress and which would enable the GAO to render the assistance which I have outlined in my testimony today.

EVALUATION OF EXISTING PROGRAMS

Before closing, I believe it relevant to refer to the interest and responsibility of the GAO in evaluating the effectiveness of ongoing or existing programs. While we have always construed the Budget and Accounting Act and the Legislative Reorganization Act of 1946 to include this authority, the Legislative Reorganization Act of 1970 made

it quite explicit. This Act, in brief, directed that the GAO, either on its own initiative or at the request of committees of the Congress, make studies of the costs and benefits of existing programs. For the past 5 years, we have given high priority to the evaluation of Federal programs to the point where approximately 30 percent of our professional staff of 3,250 is now engaged in evaluations and studies with this objective.

I mention this subject here today because of the number of proposals which have been made suggesting the creation of new agencies in the Congress to assist it in evaluating the results of Federal programs. In discussing these proposals with Members of Congress and others, I frequently find that individuals who make these proposals are unfamiliar with the extent to which the emphasis in the General Accounting Office on program evaluation type audits has increased. While we still have much to learn, I believe that overall we are making good progress.

Evaluation of Government program results is an art about which all of us have much to learn. There are many difficulties in making such assessments particularly in the social action areas. Not the least of these are (1) the lack of clearly, specifically stated program goals and objectives, and (2) the lack of reliable data on performance and effects or results of program operations. Despite the

problems, we are making a major effort to make such evaluations of Federal programs. In the process we are learning more and more how to make these evaluations more useful. Several factors, which I will merely mention here, are involved in improving our performance and capability.

1. We are learning much by doing--through experience.
2. We have been building an interdisciplinary staff of engineers, economists, etc., as well as accountants.
3. We are making extensive use of expert consultants in various fields and by contracting work out to a limited degree.
4. We are conducting advanced training programs and holding special seminars on program evaluation in specific areas.
5. Increasingly, we are taking advantage of analytical and evaluation work of other Government agencies and non-government organizations such as the Urban Institute and the Brookings Institution.
6. We revised our organization structure last year along programmatic and functional lines. This change is enabling us to do more effective program evaluations.

A few examples will illustrate the nature of some recent reports we have made on our evaluation of the results of Federal programs.

1. Two reports to the Congress last year provided evaluations of the housing and education programs for the American Indian.
2. In February of this year, we reported to the Congress on the impact of programs of the Departments of Agriculture; Health, Education, and Welfare; Labor; and the Office of Economic Opportunity to improve the living conditions of migrant and other seasonal farmworkers.
3. Also in February we completed our study of how well the Agricultural Marketing Service and the Food and Drug Administration carry out their inspection and control functions over processed fruits and vegetables. In this study, we were particularly concerned with the controls these agencies exercised over fruits and vegetables that do not meet U.S. grade standards and effectiveness in policing the requirement that such products be processed under sanitary conditions.

4. In March we reported on our review of the operations of the Food and Drug Administration in carrying out its responsibilities to insure that potentially harmful shellfish do not reach the American consumer and that imported shellfish meet U.S. domestic standards.
5. Other reports on our audits of program results issued within the last few weeks were on such subjects as:
 - Environmental Protection Agency requirements to remove hazardous pesticides from the channels of trade.
 - The program of the National Highway Traffic Safety Administration of the Department of Transportation to insure compliance with Federal safety standards for motor vehicles.
 - Continuing losses incurred by the Federal Government on the peanut price support program.

The Congress itself sometimes directs us to make specific studies. A good recent example is our comprehensive study of health facilities construction costs. This study was directed by the Comprehensive Health Manpower Training Act of 1971. The completed report which was submitted to the Congress in November 1972 is concerned in great depth with the objective of reducing the high cost of constructing health facilities and also identifying

and evaluating ways for reducing the demand for such facilities.

I would also like to point out that a significant part of our work is done in response to requests by committees of the Congress, which are often in direct support of their legislative or legislative oversight responsibilities. Many of these requests require us to evaluate program results. For example, we very recently completed a project in support of the Fiscal Policy Subcommittee of the Joint Economic Committee in its study of welfare programs by measuring in six geographic areas the extent to which poor persons really benefit from the numerous Federal programs intended for this aid.

The examples I have mentioned all represent completed work. We also have a great deal of work of this nature in process at all times but I will not take the time here to describe it.

My principal reason for mentioning GAO's work in the area of program evaluation is to invite the Committee's attention to it for consideration in relation to proposals for creating possibly new agencies for assisting the Congress in evaluating the results and effectiveness of Federal programs.

This concludes my statement.